WRITTEN ANSWERS TO STARRED QUESTIONS

Investment by UTI in Essar

*101 SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn to the news-item appearing in the 'Asian Age' dated 5th August, 2002 under the caption 'Special audit finds UTI invested blindly in Essar';

(b) if so, the details thereof and Government's reaction thereto;

(c) whether Government would take any action on the findings of the Tarapore Committee in this regard; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) Yes, Sir.

(b) A three member High Level Committee had been constituted by Government, headed by Shri S.S. Tarapore, former Dy. Governor, RBI to conduct an independent inquiry into, *inter alia*, the investment decisions by UTI in Essar Oil. In respect of this investment decision of UTI, the Committee had recommended that there should be a thorough on-side audit of the case before remitting it to an appropriate pre-investigative body. The Committee also recommended that the pre-investigative body could advice whether this case and other cases identified by it were fit for investigation under law.

(c) and (d) As recommended by the Committee, this case alongwith 18 other has been audited and referred to the Advisory Board on Banking, Commercial and Financial Frauds whose recommendations have not yet been received.

Bansagar Hydel Power Project

†*103. SHRI BALKAVI BAIRAGI: Will the Minister of WATER RESOURCES be pleased to state:

(a) whether it is a fact that due to paucity of funds and grave irregularities, work on the ambitious inter-State Bansagar Hydel Power project costing about three thousand crore rupees remained stuck up for

†Original notice of the question was received in Hindi.

about 14 years and now a target of two more years has been fixed for its completion;

(b) whether it would be possible to ensure the completion of such an ambitious inter-State project during the stipulated time period; and

(c) if so, the details thereof?

THE MINISTER OF WATER RESO' JRCES (SHRI ARJUN CHARAN SETHI): (a) to (c) Bansagar Multipurpose Project in Sone River Basin is an Inter-State Project of Madhya Pradesh, Uttar Pradesh and Bihar and is under execution as per AGREEMENT OF BANSAGAR PROJECT reached among the three States on 16-09-1973. The Cost of Head works (i.e. Bansagar Dam) is being funded by the 3 beneficiary States of Madhya Pradesh, Uttar Pradesh and Bihar in the ratio of 2:1:1 and is being executed by Madhya Pradesh Water Resources Department under the overall control of Bansagar Control Board. The Canal System in the three States are being executed by the respective States within their territories. The Power houses are entirely located in Madhya Pradesh and are being executed by the Madhya Pradesh State Electricity Board.

The estimated cost of Bansagar Multipurpose project consisting of head works, canals and powerhouse in Madhya Pradesh at 1998 price level is Rs. 2621 crores as detailed below—

Unit I Head Works	Rs. 1055 Crore
Unit II Canals	Rs. 0703 Crore
Unit III Power	Rs. 0863 Crore
TOTAL:	Rs 2621 Crore (1998 Price Level)

Work on Unit I Head works was initiated in the year 1978-79. Over the years due to slow progress of R&R works, the civil works of the project were delayed. During 1988-89 to 1995-96 the works on the project were at stand still for want of funds as the Co-basin States were not contributing the share cost. Further construction work resumed in the year 1996-97 with the inflow of funds from Government of India under the Accelerated Irrigation Benefit Programme (AIBP) and since then the Unit I is making steady progress and the dam has been raised to crest

level in June, 2000 and reservoir was partially filled up to crest level in the monsoon of year 2000-2001.With the storage thus created, power generation (about 1200 million units worth Rs. 240 crore till September, 2002) and drinking water supply commenced from the project. As on date, all balance major works on the project have been awarded and the remaining works of the project are well on target for completion by June, 2004.

Unit II comprises of Canal System in Madhya Pradesh (Annual Irrigation -2.49 lakh Hectare), Uttar Pradesh (1.50 lakh Hectare) and Bihar (0.94 lakh Hectare). The Canal System in Madhya Pradesh consists of seven Canals, out of which Sihawal Canal, Keoti Canal and Purwa Canal take off from Common Water Carrier, Gurh-cum-Maugang Lift Canal takes off from 4.00 km of Keoti Canal. Teonthar Lift Canal takes off from the Right Bank of Tons River near Chakraghat below Powerhouse No. 1. The Canal System in Madhya Pradesh is targeted to be completed in phases. Under Phase I, an area of 22000 hectare is proposed to be irrigated by June, 2004. Under Phase II, additional area of 78,000 hectare will be covered by June 2006 and under Phase III, the remaining area of 54687 hectare will be covered during the 11th Five Year Plan.

Unit III comprising of 4 nos. Power Houses in Madhya Pradesh are PH-I (3x105 MW), PH-II (2x15MW), PH-III (3x20MW) and PH-IV (2x10MW). All units of PH-I, PH-II and PH-III totaling to 405 MW have been commissioned. PH-IV (2x10MW) is targetted to be commissioned by June, 2004.

Show Cause Notice against Reliance Industries

*107. SHRI HARENDRA SINGH MALIK: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Department of Company Affairs based on the findings of a limited inspection report has directed the Regional Director, DCA, Western Region to advice the Registrar of Companies to issue necessary Show Cause Notice and other actions against the Reliance Industries and to file prosecution for violation of section 372A(2) of the Companies Act;

(b) if so, the details of action taken by Regional Director, DCA, Western Region and by the Registrar of Companies; and